

RE: OPG Q4 2016 submission to Province

From: "Chatterjee, Jeet (ENERGY)" <jeet.chatterjee@ontario.ca>
To: "Whittington, Matt (ENERGY)" <matt.whittington@ontario.ca>, "Ruttan, Craig (ENERGY)" <craig.ruttan@ontario.ca>, "Tresise, Landon (ENERGY)" <landon.tresise@ontario.ca>, "Esdaile, Trevor (ENERGY)" <trevor.esdaile@ontario.ca>, "Coker, Meaghan (ENERGY)" <meaghan.coker@ontario.ca>
Cc: "Katona, Keley (ENERGY)" <keley.katona@ontario.ca>, "Pagel, Alexa (ENERGY)" <alexa.pagel@ontario.ca>, "Martin, Eric (ENERGY)" <eric.martin@ontario.ca>
Date: Wed, 08 Mar 2017 16:42:56 -0500

Hi,

OPG has again proposed new language regarding the Fair Hydro Plan (highlighted in yellow). In red is our edit.

Let me know if OK to share with OPG.

Thanks,

Jeet

Ontario's Fair Hydro Plan

On March 2, 2017, the Province announced Ontario's Fair Hydro Plan (the Plan) aimed at reducing electricity bills by 25 percent on average for all residential consumers in the province. As part of the Plan, the Province has proposed refinancing a portion of the Global Adjustment costs over a longer time period for Regulated Price Plan eligible customers (e.g., residential, farm, small businesses). According to the Plan, the Province intends to introduce legislation that would, if passed, enable the IESO and OPG to work together to undertake this financing. The Global Adjustment is administered by the IESO. OPG intends to work with the Province and the IESO as part of the refinancing proposal. **Based on the Province's Plan, OPG is exploring implementation options. The final plan implementation strategy is expected to be reviewed and is subject to approval by OPG's Board of Directors.** The Global Adjustment includes the difference between Ontario's electricity market clearing price used to dispatch generation and the prices paid to contracted and regulated generators in the province, and the cost of conservation and demand management programs. Virtually all generators in Ontario have bilateral contracts with the IESO that provide for payments that are different from the market clearing price of electricity, while the prices for all of OPG's nuclear and a majority of its hydroelectric generation are set by the OEB.

From: Chatterjee, Jeet (ENERGY)
Sent: March 3, 2017 4:47 PM
To: Whittington, Matt (ENERGY); Ruttan, Craig (ENERGY); Tresise, Landon (ENERGY); Esdaile, Trevor (ENERGY); Coker, Meaghan (ENERGY)
Cc: Katona, Keley (ENERGY); Pagel, Alexa (ENERGY); Martin, Eric (ENERGY)
Subject: RE: OPG Q4 2016 submission to Province

Hi,

OPG has proposed including the language below regarding the A refinancing portion of the announcement yesterday into their 2016 MD&A and AIR. Staff have made some minor comments (strikeouts).

Please let me know soon if OK to share – OPG is looking for comments ASAP.

Thanks,

Jeet

Ontario's Fair Hydro Plan

On March 2, 2017, the Province announced Ontario's Fair Hydro Plan (the Plan) aimed at reducing electricity bills by 25 per cent on average for all residential consumers in the province. As part of the Plan, the Province has proposed refinancing a portion of ~~total electricity system~~ Global Adjustment costs over a longer time period for residential consumers. According to the Plan, the Province intends to introduce legislation that would, if passed, enable the IESO and OPG to work together to undertake this financing. The Global Adjustment ~~portion of the total price of electricity~~ in the province is administered by the IESO. The Global Adjustment includes the difference between Ontario's electricity market clearing price used to dispatch generation and the prices paid to contracted and regulated generators in the province, and the cost of conservation and demand management programs. Virtually all generators in Ontario have bilateral contracts with the IESO that provide for payments that are different from the market clearing price of electricity, while the prices for all of OPG's nuclear and most of its hydroelectric

generation are set by the OEB. OPG intends to work with the Province and the IESO as part of the refinancing proposal.

Jeet Chatterjee
Senior Policy Advisor, Deputy Minister's Office
Ontario Ministry of Energy
P: 416-327-7025

From: Whittington, Matt (ENERGY)
Sent: February 27, 2017 10:50 AM
To: Chatterjee, Jeet (ENERGY); Ruttan, Craig (ENERGY); Tresise, Landon (ENERGY); Esdaile, Trevor (ENERGY); Coker, Meaghan (ENERGY)
Cc: Katona, Keley (ENERGY); Pagel, Alexa (ENERGY); Martin, Eric (ENERGY)
Subject: RE: OPG Q4 2016 submission to Province

Ok with staff comments.

Thanks,
Matt

From: Chatterjee, Jeet (ENERGY)
Sent: February-27-17 10:02 AM
To: Ruttan, Craig (ENERGY); Whittington, Matt (ENERGY); Tresise, Landon (ENERGY); Esdaile, Trevor (ENERGY); Coker, Meaghan (ENERGY)
Cc: Katona, Keley (ENERGY); Pagel, Alexa (ENERGY); Martin, Eric (ENERGY)
Subject: RE: OPG Q4 2016 submission to Province

Hi,

Just following up on these comments. OPG is looking to get back comments by today.

Let me know if any concerns.

Thanks,

Jeet

Jeet Chatterjee
Senior Policy Advisor, Deputy Minister's Office
Ontario Ministry of Energy
P: 416-327-7025

From: Ruttan, Craig (ENERGY)
Sent: February 24, 2017 2:30 PM
To: Chatterjee, Jeet (ENERGY); Whittington, Matt (ENERGY); Tresise, Landon (ENERGY); Esdaile, Trevor (ENERGY); Coker, Meaghan (ENERGY)
Cc: Katona, Keley (ENERGY); Pagel, Alexa (ENERGY); Martin, Eric (ENERGY)
Subject: Re: OPG Q4 2016 submission to Province

Hi Jeet,

From my end, having not yet reviewed the full documents, I'm comfortable with the staff comments. I'll defer to Matt for final review and approval.

Thanks,
Craig

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Chatterjee, Jeet (ENERGY)
Sent: Thursday, February 23, 2017 5:37 PM
To: Whittington, Matt (ENERGY); Tresise, Landon (ENERGY); Esdaile, Trevor (ENERGY); Coker, Meaghan (ENERGY); Ruttan, Craig (ENERGY)
Cc: Katona, Keley (ENERGY); Pagel, Alexa (ENERGY); Martin, Eric (ENERGY)
Subject: FW: OPG Q4 2016 submission to Province

Hi,

Attached are staff comments on the OPG Q4 financials as well as summary document, and the attached OPG documents:

- 1) Year End Results
- 2) News Release
- 3) Consolidated Financial Statement
- 4) Management's Discussion and Analysis
- 5) Annual Information Form

Please note that OPG has commenced planning for the refurbishment of the second unit, Unit 3, at the Darlington GS and is entering into associated commitments to procure major components that require long-lead times. As of December 31, 2016, \$31 million has been invested in planning activities related to the refurbishment of the second unit. These planning activities are being undertaken in accordance with the refurbishment project schedule.

This is the OPG's first disclosure of spending and procurements related to Unit 3 refurb.

Staff are hoping to share these comments back to OPG early next week so please let me know any additional comments/concerns by Monday, if possible.

Thanks,

Jeet

Jeet Chatterjee
Senior Policy Advisor, Deputy Minister's Office
Ontario Ministry of Energy
P: 416-327-7025

From: Montgomery, Kaitlin (ENERGY)
Sent: February 23, 2017 2:18 PM
To: Katona, Keley (ENERGY); Chatterjee, Jeet (ENERGY)
Cc: Waddell, Colleen (ENERGY)
Subject: FW: OPG Q4 2016 submission to Province

Not sure who would coordinate this one.

Attached are the comments on the OPG financials as well as our summary doc (pdf). Note, there are two groups we haven't heard back from yet but I don't anticipate any further comments so sending this now.

OPG is looking to get these comments back by Monday.

Please let me know when/if it's okay to share

Thanks,
Kaitlin

From: DYKXHOORN Sandra -CORPRELCOMM [<mailto:sandra.dykxhoorn@opg.com>]
Sent: February 15, 2017 9:15 AM
To: Kim, John (OFA); Kwan, Ronald (OFA); Talwar, Shruti (ENERGY); Chander, Sunita (ENERGY)
Cc: CHENG Alec -FIN & C CTRL; HO Philip -FIN & C CTRL
Subject: OPG Q4 2016 submission to Province

Good morning,

Please find attached OPG's draft Q4 2016 News Release, Management's Discussion and Analysis (MD&A), Annual Information Form (AIF) and Financial Statements for the Province's review.

We would greatly appreciate comments on the above **no later than Monday, February 27th**.

These documents will be filed with the Ontario Securities Commission on **Friday, March 10th** following OPG's Board of Directors meeting.

Kindly forward all comments directly to **Sandra Dykxhoorn** (copy to Alec Cheng – alec.cheng@opg.com and Philip Ho – philip.ho@opg.com).

To assist the review process, the following are the key items in the Q4 2016 MD&A:

Highlights	MD&A p.11-16
Recent Developments	
Darlington Refurbishment	MD&A p.11-12; 24-25

Peter Sutherland Sr. GS project

MD&A p.25

Outlook – OEB application on OPG's results, impact of ONFA update on Nuclear Segregated Funds earnings, and the expected income and cash flow trends for 2017

MD&A p.30-31

Sandra Dykxhoorn | Acting Director, Provincial Relations | **Ontario Power Generation**

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